

State of Alaska FY2007 Governor's Operating Budget

Department of Military and Veterans Affairs Educational Benefits Component Budget Summary

Component: Educational Benefits

Contribution to Department's Mission

Increase recruitment and retention by offering improved educational benefits to members of the Alaska National Guard and Naval Militia.

Core Services

After becoming a guard member, advancement and promotion within the ranks is heavily dependent on education. Officers must have 90 college semester hours completed prior to commissioning and have obtained a Bachelor's degree within 2 year after commissioning. Failure to complete a degree impacts the officer's promotional opportunities. Enlisted personnel who enlist with less than a 9th grade reading level are very likely not to be promoted to Sergeant/E-5 due to mandatory military schools that require 9th grade level reading skills. These funds assist members of the Alaska National Guard and Naval Militia by paying 100% of tuition and/or fees if they successfully complete classes to obtain post-secondary degrees or training in order to promote careers in the National Guard.

The Department of Military and Veterans Affairs lists as one of its major goals and strategies for the Alaska Army and Air National Guard as "improved recruitment and retention." The Alaska Army National Guard is critically short of junior officers and senior grade enlisted personnel while the Alaska Air National Guard is behind in personnel strength compared to other like units. States that have 100% tuition assistance are at or near full strength in the officer and enlisted ranks and experience exceptionally high retention rates.

Major Activities to Advance Strategies

- Payment of guard members tuition costs to University of Alaska
- Reimbursement of Tuition and Fees to Guard Members

FY2007 Resources Allocated to Achieve Results

FY2007 Component Budget: \$378,500	Personnel:	
	Full time	0
	Part time	0
	Total	0

Key Component Challenges

UA Tuition Scholarship Program:

In FY05 376 guard members used the University of Alaska Tuition Assistance Waiver Program to obtain their education. By comparison 475 guard members used this program in FY04. This decrease occurred because the University of Alaska (UA) increased their tuition fees. In 2003, 1 undergraduate credit was \$82. In October 2005 that same credit cost \$109. All of the FY05 funds for this program were exhausted before the 05 summer semester. If the UA, at the Guard's request, had not absorbed \$36,000 in tuition costs, 34 guard members would have been unable to attend classes that semester. In addition, the number of guard members applying for educational assistance under this program continues to increase by approximately 10% annually.

State Tuition Assistance Program (Non-UA Schools):

In FY05, 36 guard members utilized this program totaling \$28,499 of the \$28,500 in available funds. Twenty-six (26) additional applications totaling \$29,500 were denied due to lack of funds. Rising costs of tuition and increased demand for educational benefits continue to occur.

Significant Changes in Results to be Delivered in FY2007

A general fund increase in the amount of \$25,000 is requested in FY2007 to restore the base level credit hours provided to guard members due to the rising tuition cost increases.

Major Component Accomplishments in 2005

The State Tuition Assistance Program provided \$28,500 to reimburse guard members for classes successfully completed at institutions in Alaska other than the University of Alaska system. Thirty-six Guard and Naval Militia members received state reimbursement.

In FY05, the legislature provided \$250,000 to pay for the tuition of Guard members attending classes at the University of Alaska. These funds were fully utilized and made it possible for 376 guard members to attend the University. The availability of tuition waivers also allowed more members in the rural areas to pursue higher education goals.

Statutory and Regulatory Authority

AS 26.05.295-298 Educational assistance for enlisted personnel

Contact Information

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Educational Benefits Component Financial Summary

All dollars shown in thousands

	FY2005 Actuals	FY2006 Management Plan	FY2007 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	0.0	0.0	0.0
72000 Travel	0.0	0.0	0.0
73000 Services	0.0	0.0	0.0
74000 Commodities	0.0	0.0	0.0
75000 Capital Outlay	0.0	0.0	0.0
77000 Grants, Benefits	277.8	353.5	378.5
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	277.8	353.5	378.5
Funding Sources:			
1004 General Fund Receipts	277.8	353.5	378.5
Funding Totals	277.8	353.5	378.5

**Summary of Component Budget Changes
From FY2006 Management Plan to FY2007 Governor**

All dollars shown in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2006 Management Plan	353.5	0.0	0.0	353.5
Proposed budget increases:				
-Increase Program Funding to Maintain Current Level of Educational Benefits to National Guardsmen	25.0	0.0	0.0	25.0
FY2007 Governor	378.5	0.0	0.0	378.5